



STATE OF WASHINGTON

PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm 206, PO Box 40908 • Olympia, Washington 98504-0908 • (360) 753-1111 • FAX (360) 753-1112
Toll Free 1-877-601-2828 • E-mail: pdc@pdc.wa.gov • Website: www.pdc.wa.gov

January 27, 2005

The Honorable Rob McKenna
Attorney General of the State of Washington
PO Box 40100
Olympia WA 98504-0100

Dear General McKenna:

On November 30, 2004, your office received a citizen action letter from James Oswald on behalf of the Washington Conservation Voters alleging the following:

Mainstream Republicans of WA

- Sponsored a political advertisement that contained a false claim of endorsement for Doug Sutherland, candidate for re-election as Commissioner of Public Lands, one of three candidates shown on the ad. They then failed to correct the ad, and continued distributing it, after receiving information that the ad contained the false claim of endorsement. RCW 42.17.530
- Failed to include proper sponsor identification by omitting "Notice to Voters" and top five contributors; RCW 42.17.510
- Failed to timely disclose the expenditure; RCW 42.17.103
- Exceeded contribution limits to Doug Sutherland campaign. The ad constituted a contribution to Doug Sutherland rather than an independent expenditure because Mr. Sutherland was a board member of the Committee; RCW 42.17.640

Doug Sutherland campaign

- Received a contribution from the Mainstream Republicans of WA that exceeded limits. RCW 42.17.640

Your office forwarded the letter to the Public Disclosure Commission for investigation.

At the Commission meeting held on January 25, 2005, the PDC staff and the Mainstream Republicans of WA presented a Stipulation of Facts, Violations and



The Honorable Rob McKenna
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Penalty for Commission approval, a copy of which are enclosed. The Commission ordered that the stipulation be accepted.

No evidence was obtained during the investigation to support the allegation that the Doug Sutherland campaign received a contribution that exceeded the limit. In and of itself, the fact that Mr. Sutherland was a board member of the Mainstream Republicans of WA does not compromise the independence of the expenditure according to WAC 390-05-210 unless other factors are present.

If you have further questions, please contact Susan Harris, Assistant Director, at 753-1981 or by email at sharris@pdc.wa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Vicki Rippie". The signature is stylized with a large, sweeping loop at the end.

Vicki Rippie
Executive Director

c: Senior Assistant Attorney General Linda Dalton
Senior Counsel Nancy Krier

Enclosure

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4 **BEFORE THE PUBLIC DISCLOSURE COMMISSION**
5 **OF THE STATE OF WASHINGTON**

6 IN THE MATTER OF ENFORCEMENT)
7 ACTION AGAINST)

PDC CASE NO.: 05-110

8 Mainstream Republicans of WA)

FINAL ORDER IMPOSING FINE

9 Respondent.)
10 _____)

11 **INTRODUCTION**

12 The Washington State Public Disclosure Commission (Commission) conducted an
13 enforcement hearing (adjudicative proceeding) under chapters 34.05 and 42.17 RCW and
14 chapter 390-37 WAC on January 25, 2005, with respect to the above-encaptioned matter.
15 The Commission convened the hearing at the Evergreen Plaza Building, Room 206, 711
16 Capitol Way South, in Olympia, Washington. The PDC Staff appeared through Assistant
17 Director Susan Harris. The Respondent Mainstream Republicans of Washington
18 (Mainstream Republicans) appeared through Sid Morrison, Chair, Mainstream Republicans.
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21 The Commission was provided a copy of: a memorandum from Ms. Harris dated
22 January 18, 2005 titled "45 Day Letter Regarding Mainstream Republicans" with
23 attachments (relevant statutes, a January 12, 2005 letter from James D. Oswald, and a copy
24 of PDC Administrative Policy titled "Retaining Special Legal Counsel"); the Report of
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1 Investigation dated January 12, 2005 with attached exhibits; and a Stipulation of Facts,
2 Violations and Penalty (Stipulation) of the parties dated January 25, 2005.

3 After due consideration of the above information provided to the Commission and
4 oral presentations by Staff and the Respondent, and by Mr. Oswald, the Commission
5 accepted the Stipulation by a 3-1 vote. The Commission therefore makes the following
6 findings and enters the following order.
7

8 **FINDINGS**

9 Based upon the stipulated facts, violations and penalty, by a 3-1 vote, the
10 Commission enters the following finding:

11 The Respondent committed multiple violations of RCW 42.17.640, .530, .510 and .103
12 as detailed in the Stipulation, which is attached and incorporated by reference.
13

14 **ORDER**

15 The Commission orders as follows by a 3-1 vote:

- 16 1. The Stipulation of Facts, Violations and Penalty is accepted and incorporated by
17 reference; and,
18 2. A total civil penalty of \$15,000 is assessed against the Respondent, \$5,000 of which
19 will be suspended if the conditions in the Stipulation are satisfied.
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21 **RECONSIDERATION OF FINAL ORDER - COMMISSION**

22 Any party may ask the Commission to reconsider this final order. Parties must
23 place their requests for reconsideration in writing, include the specific grounds or reasons
24 for the request, and deliver the request to the Public Disclosure Commission Office within
25 **TEN (10) days** of the date that the Commission serves this order upon the party. Pursuant
26 to RCW 34.05.470(3), the Public Disclosure Commission is deemed to have denied the

1 petition for reconsideration if, within twenty (20) days from the date the petition is filed, the
2 Commission does not either dispose of the petition or serve the parties with written notice
3 specifying the date by which it will act on the petition. Pursuant to RCW 34.05.470(5), the
4 Respondent is not required to ask the Public Disclosure Commission to reconsider the final
5 order before seeking judicial review by a superior court.
6

7 **FURTHER APPEAL RIGHTS – SUPERIOR COURT**

8 Pursuant to RCW 42.17.395(5), a **final order** issued by the Public Disclosure
9 Commission is subject to judicial review under the Administrative Procedures Act, chapter
10 34.05 RCW. The procedures are provided in RCW 34.05.510 - .598. Pursuant to RCW
11 34.05.542(2), a petition for judicial review must be filed with the superior court in Thurston
12 County or the petitioner's county of residence or principal place of business. The petition
13 for judicial review must be served on the Public Disclosure Commission and any other
14 parties within **30 days** of the date that the Public Disclosure Commission serves this final
15 order on the parties.
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17 If reconsideration is properly sought, the petition for judicial review must be served
18 on the Public Disclosure Commission and any other parties within thirty (30) days after the
19 Commission acts on the petition for reconsideration.
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21 **ENFORCEMENT OF FINAL ORDERS**

22 The Commission will seek to enforce this final order in superior court under RCW
23 42.17.395-397, and recover legal costs and attorney's fees, if the penalty remains unpaid
24 and no petition for judicial review has been filed under chapter 34.05 RCW. This action
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will be taken without further order by the Commission.

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DATED THIS 17th day of February, 2005.

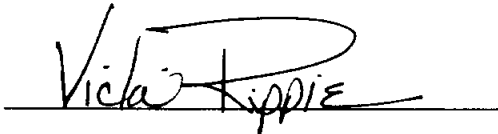
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FOR THE COMMISSION:

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VICKI RIPPIE, Executive Director

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Attachment: Stipulation of Facts, Violations and Penalty Dated January 25, 2005

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MAILING DATE OF THIS ORDER:

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Copies mailed to:

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Sid Morrison, Chair, Mainstream Republicans

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BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

IN THE MATTER OF ENFORCEMENT)	PDC Case No. 05-110
ACTION AGAINST)	
)	STIPULATION OF FACTS,
Mainstream Republicans of WA)	VIOLATIONS, AND
Respondents.)	PENALTY
)	
)	

The Mainstream Republicans of WA (Respondent) and the Public Disclosure Commission Staff (Staff) jointly submit this Stipulation of Facts, Violations, and Penalty for Commission consideration in lieu further enforcement actions. The parties agree that, pursuant to RCW 42.17.360, the Commission has the authority to accept, decline, or to suggest modifications to the Stipulation. In the interest of avoiding further proceedings, the parties enter this Stipulation.

FACTS

Both parties agree that the Report of Investigation dated January 12, 2005 and the Memorandum to the Commission prepared by Susan Harris dated January 18, 2005 contain accurate statements of fact. The Report of Investigation and Memorandum are incorporated by reference.

VIOLATIONS

Respondent and Staff agree that the Respondent committed the following multiple violations:

1. RCW 42.17.640 by making a \$30,000 contribution to the Citizens for Sam Reed Committee, exceeding the limits allowed by law;
2. RCW 42.17.530 by publishing a political advertisement that falsely claimed that the Doug Sutherland campaign had received the endorsement of two groups that did not endorse him, and did so with reckless disregard as to truth or falsity or with knowledge of falsity;

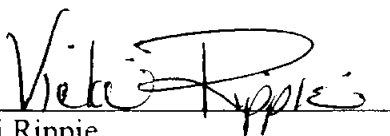
3. RCW42.17.510 by failing to include "Notice to Voters" and top five contributors on an Independent Expenditure it made in support of Doug Sutherland and Rob McKenna; and
4. RCW 42.17.103 by failing to timely report the Independent Expenditure.

PENALTY

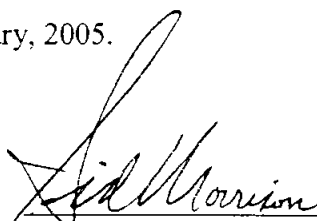
Respondent and Staff agree that based on the facts and the agreement regarding the violations of RCW 42.17 above, the Respondent accepts an assessed penalty of fifteen thousand dollars (\$15,000.) Five thousand dollars (\$5,000) will be suspended if the Respondent:

1. Schedules at least 30 minutes at its 2005 annual membership conference for PDC to make a presentation on Independent Expenditures and political advertising requirements. If PDC is unable to participate in the conference, the Respondent will be responsible for presenting the information to its members;
2. Sponsors a training workshop prior to July 1, 2006 regarding Independent Expenditures, political advertising requirements and other election related activities;
3. Is not found in violation by the full Commission of chapter 42.17 RCW for two years from the date of entry of the Commission's Final Order in this matter.
4. The penalty will be paid in monthly installments of \$1,000, with the first payment of \$1,000 being due no later than June 1, 2005 and ending with the final payment of \$1,000 being made on March 1, 2006.

Respectfully submitted this 25th day of January, 2005.



Vicki Rippie
Executive Director, PDC



Sid Morrison
Chair, Mainstream Republicans